

## **The complaint**

Ms A complains that Revolut Ltd won't refund money she lost when she fell victim to an investment scam.

Ms A is being represented by solicitors in her complaint.

## **What happened**

The detailed background to this complaint is well known to both parties. The facts about what happened aren't in dispute, so I'll focus on giving my reasons for my decision.

The complaint concerns four transactions totalling £14,350 to a cryptocurrency provider, which were made from Ms A's Revolut account in May and June 2022. These were made in connection with an investment opportunity offered by a company, "C", which Ms A says turned out to be a scam.

Ms A's Revolut account was opened under the instructions of the scammer as part of the scam. She transferred the funds into her Revolut account from her account with a high street bank – H – before sending them on to a cryptocurrency provider. The cryptocurrency was then sent on to cryptocurrency wallets as instructed by C.

## **What I've decided – and why**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having done so, I agree with the conclusions reached by the investigator for the following reasons:

- Under regulations and in accordance with account terms and conditions, payment service providers ("PSP") should execute an authorised payment instruction without undue delay. The starting position is that liability for an authorised payment rests with the payer, even where they are duped into making that payment. There's no dispute that Ms A made the payments using her security credentials, and so they are authorised.
- But in accordance with the law, regulations and good industry practice, a PSP – including an electronic money institution like Revolut – should be on the look-out for and protect its customers against the risk of fraud and scams so far as is reasonably possible. If it fails to act on information which ought reasonably to alert it to potential fraud or financial crime, it might be fair and reasonable to hold it liable for losses incurred by its customer as a result.
- The first disputed payment (£4,950) flagged as suspicious on Revolut's systems, and it says it provided Ms A a scam warning before asking her a series of questions. Due to a technical issue, it is unable to confirm the answers she provided. Revolut says that as the transaction was completed, Ms A would have disregarded the warning it

provided at the time. It's unfortunate that Ms A's answers are no longer available, so I can't say for certain whether her response should have given Revolut further cause for concern such that a manual intervention by one of its agents was warranted. Therefore, I accept it is possible that an opportunity to warn her about the common features of investment scams was missed.

- To uphold this complaint, it isn't enough for me to be satisfied that Revolut failed to make sufficient enquiries. I also need to be persuaded, on balance, that such an intervention would have positively impacted Ms A's decision-making. Having thought about this carefully, I'm not persuaded that Ms A would have stopped in her tracks even if Revolut had questioned her further. I say this because I've listened to several calls Ms A had with her bank H in the days leading up to the disputed payments from Revolut. It is evident that she initially attempted to send money directly from her account with H. But the transactions triggered the bank's systems, and it made further enquiries. Concerned with her answers – she said she was making the payment to withdraw money from her investment – H refused to send the payment.
- H continued to be concerned when Ms A attempted to send money to her own account with Revolut. It shared those concerns with Ms A, telling her it was highly likely the funds would end up in the hands of a fraudster. H asked Ms A to take some time to reflect on what she was doing, and to discuss the matter with her friends and family before deciding to proceed. But, the following day, Ms A insisted she wanted to go ahead with the payment. So, despite being advised to carry out further due diligence and speak to her family, Ms A said she wanted to continue with the payment. Given her actions, I think it's highly unlikely that further questioning by Revolut when it flagged the initial payment would have positively impacted Ms A's decision-making. On balance, I'm not convinced it could have stopped her from going ahead with the payments.
- In their most recent correspondence, which was in response to the investigator's revised assessment setting out H's intervention, Ms A's representatives state they don't believe Revolut should be able to sidestep its responsibilities in effectively intervening. But the representatives seem to have missed the point completely. It isn't that Revolut's intervention could have been more effective – the investigator acknowledged this in their assessment. It is the likelihood of such an intervention resulting in Ms A not going ahead with the payment. The representatives haven't engaged with that point. They haven't explained why they believe a more effective intervention would likely have made a difference when the evidence shows a proportionate intervention by a different firm – who Ms A had an existing relationship with – did not.

In summary, I recognise that this will come as a considerable disappointment to Ms A. I fully acknowledge that she's lost a significant amount of money. But having considered the matter very carefully, for the reasons given, it wouldn't be fair of me to hold Revolut responsible for her loss.

### **My final decision**

For the reasons given, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms A to accept or reject my decision before 4 June 2024.

Gagandeep Singh  
**Ombudsman**